

# 2012 Lawrence County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Lawrence County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Lawrence County the average tax bill for all taxpayers decreased by 2.1%. This tax bill fall was mainly the result of the 2.3% decrease in the tax levy of all local government units. Lawrence County certified net assessed value increased by 1.5%, mostly due to rising agricultural assessments. All other categories of property saw modest changes. Falling levies and rising assessed values caused tax rates to fall in all Lawrence County tax districts, which decreased tax cap credits. Credits as a percent of the levy fell by 0.5% in Lawrence County in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	-2.1%	\$33,617,101	\$1,301,005,486	7.1%
Change		-2.3%	1.5%	-0.5%
2011	0.7%	\$34,403,802	\$1,281,620,225	7.7%

## Homestead Property Taxes

Homestead property taxes decreased 1.6% on average in Lawrence County in 2012. Tax rates in all Lawrence County tax districts decreased. The county average tax rate fell by 3.7%. The percentage of Lawrence County homesteads at their tax caps fell from 8.3% in 2011 to 7.8% in 2012, which lessened the effect of tax rate reductions on homestead tax bills. Lawrence County's local property tax credit rate was nearly unchanged in 2012.

### Comparable Homestead Property Tax Changes in Lawrence County

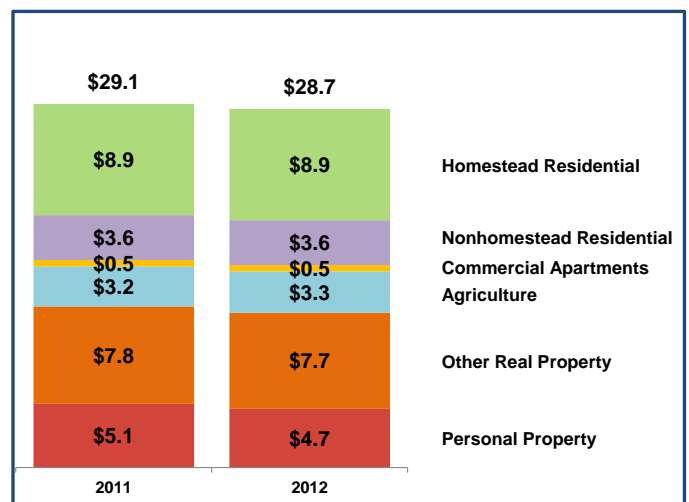
	2011 to 2012	
	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>		
Higher Tax Bill	3,652	26.0%
No Change	1,108	7.9%
Lower Tax Bill	9,294	66.1%
<b>Average Change in Tax Bill</b>	<b>-1.6%</b>	
<b>Detailed Change in Tax Bill</b>		
20% or More	805	5.7%
10% to 19%	458	3.3%
1% to 9%	2,389	17.0%
0%	1,108	7.9%
-1% to -9%	8,470	60.3%
-10% to -19%	453	3.2%
-20% or More	371	2.6%
<b>Total</b>	<b>14,054</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

## Net Tax Bill Changes - All Property Types

Lawrence County's net property taxes were spread mainly among business owners (other real and personal property) and homeowners. Net tax bills for all taxpayers decreased 2.1% in Lawrence County in 2012. Net taxes were lower for all property categories except agricultural property. The increase in agricultural taxes was relatively small because of large tax rate reductions in rural tax districts.

### Comparison of Net Property Tax by Property Type (In Millions)



## Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Lawrence County tax districts. The average tax rate fell by 3.7%, because of a small levy decrease and a small net assessed value increase.

Levies in Lawrence County decreased by 2.3%. North Lawrence Community School Corporation experienced large decreases in its capital projects, debt service, transportation, and bus replacement funds. The largest levy increase was in the county unit, primarily due to increases in the general and lease rental repayment funds.

Lawrence County's total net assessed value increased 1.7% in 2012. Agricultural net assessments rose 10.8%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments rose only 0.3%. The slow growth in business gross assessments may have been a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$1,286,500,533	\$1,304,165,150	1.4%	\$450,659,400	\$461,607,601	2.4%
Other Residential	192,380,050	195,185,350	1.5%	190,186,507	193,077,422	1.5%
Ag Business/Land	166,593,340	186,085,870	11.7%	165,928,327	183,826,780	10.8%
Business Real/Personal	651,597,597	657,093,235	0.8%	496,563,577	486,367,782	-2.1%
<b>Total</b>	<b>\$2,297,071,520</b>	<b>\$2,342,529,605</b>	<b>2.0%</b>	<b>\$1,303,337,811</b>	<b>\$1,324,879,585</b>	<b>1.7%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

## Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Lawrence County were \$2.5 million, or 7.1% of the levy. This was less than the state average percentage of the levy of 9.2%, but more than the median value of 3.2% among all counties. Tax rates are usually the main determinant of tax cap credits, and Lawrence County's tax rates were higher than the state average. Lawrence County's tax credits are lower than its tax rate would imply because of a local property tax replacement credit, funded by local income taxes.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. The largest percentage losses were in the cities of Bedford and Mitchell, where district tax rates were above \$3 per \$100 assessed value. The largest dollar losses were in the city of Bedford, the North Lawrence School Corporation, and the county unit.

Tax cap credits decreased in Lawrence County in 2012 by \$243,388, or 9.0%. The percentage of the levy lost to credits fell by 0.5%. There were no major changes in state policy to affect tax cap credits in 2012. Lawrence County credits decreased mainly because district tax rates decreased.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$594,810	\$558,754	-\$36,056	-6.1%
2%	1,597,210	1,546,979	-50,231	-3.1%
3%	508,778	341,773	-167,006	-32.8%
Elderly	18,105	28,010	9,905	54.7%
<b>Total</b>	<b>\$2,718,904</b>	<b>\$2,475,516</b>	<b>-\$243,388</b>	<b>-9.0%</b>
<b>% of Levy</b>	<b>7.7%</b>	<b>7.1%</b>		<b>-0.5%</b>

### Lawrence County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	49,042,732	33,583,406	34,869,652	34,403,802	33,617,101	-31.5%	3.8%	-1.3%	-2.3%
State Unit	71,604	0	0	0	0	-100.0%			
Lawrence County	9,078,239	6,674,483	6,629,798	6,910,495	7,178,948	-26.5%	-0.7%	4.2%	3.9%
Bono Township	14,913	16,131	16,658	17,021	13,954	8.2%	3.3%	2.2%	-18.0%
Guthrie Township	24,199	25,724	26,891	27,407	27,796	6.3%	4.5%	1.9%	1.4%
Indian Creek Township	25,208	26,190	27,154	27,592	28,613	3.9%	3.7%	1.6%	3.7%
Marion Township	163,119	167,000	165,533	139,111	140,799	2.4%	-0.9%	-16.0%	1.2%
Marshall Township	66,879	60,652	63,671	58,490	66,421	-9.3%	5.0%	-8.1%	13.6%
Perry Township	29,670	28,814	29,807	30,320	30,932	-2.9%	3.4%	1.7%	2.0%
Pleasant Run Township	27,834	28,098	43,963	44,544	45,001	0.9%	56.5%	1.3%	1.0%
Shawswick Township	247,381	249,911	259,141	263,896	273,457	1.0%	3.7%	1.8%	3.6%
Spice Valley Township	31,040	32,009	32,989	33,615	34,824	3.1%	3.1%	1.9%	3.6%
Bedford Civil City	7,049,052	6,857,942	7,157,678	7,357,254	7,490,821	-2.7%	4.4%	2.8%	1.8%
Mitchell Civil City	1,072,681	1,059,094	1,119,771	1,144,710	1,183,398	-1.3%	5.7%	2.2%	3.4%
Oolitic Civil Town	110,555	113,064	115,992	115,518	116,143	2.3%	2.6%	-0.4%	0.5%
North Lawrence Community School Corp	21,294,497	10,314,696	11,927,779	11,236,656	9,794,400	-51.6%	15.6%	-5.8%	-12.8%
Mitchell Community School Corp	7,147,613	5,318,610	4,532,648	4,190,559	4,341,338	-25.6%	-14.8%	-7.5%	3.6%
Bedford Public Library	1,211,350	1,205,742	1,276,185	1,304,520	1,345,612	-0.5%	5.8%	2.2%	3.1%
Mitchell Community Public Library	382,790	404,193	406,297	434,504	420,906	5.6%	0.5%	6.9%	-3.1%
Lawrence County Solid Waste Mgmt Dist	994,108	1,001,053	1,037,697	1,067,590	1,083,738	0.7%	3.7%	2.9%	1.5%
Lawrence County Redevelopment Comm	0	0	0	0	0				

### Lawrence County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
47001	Bono Township	2.0977	9.5339%	--	--	--	--	--	1.8977
47002	Guthrie Township	1.8728	9.5339%	--	--	--	--	--	1.6942
47003	Indian Creek Township	1.8427	9.5339%	--	--	--	--	--	1.6670
47004	Marion Township	2.1001	9.5339%	--	--	--	--	--	1.8999
47005	Mitchell City	3.4044	9.5339%	--	--	--	--	--	3.0798
47006	Marshall Township	1.8468	9.5339%	--	--	--	--	--	1.6707
47007	Perry Township	1.8475	9.5339%	--	--	--	--	--	1.6714
47008	Pleasant Run Township	1.8803	9.5339%	--	--	--	--	--	1.7010
47009	Shawswick Township	1.8902	9.5339%	--	--	--	--	--	1.7100
47010	Bedford City	3.4688	9.5339%	--	--	--	--	--	3.1381
47011	Oolitic Town	2.4274	9.5339%	--	--	--	--	--	2.1960
47012	Spice Valley Township-North	1.8559	9.5339%	--	--	--	--	--	1.6790
47013	Spice Valley Township-South	2.1018	9.5339%	--	--	--	--	--	1.9014

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Lawrence County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	550,769	1,538,149	306,464	28,010	2,423,393	33,617,101	7.2%
<i>TIF Total</i>	7,985	8,829	35,309	0	52,123	1,116,255	4.7%
<i>County Total</i>	558,754	1,546,979	341,773	28,010	2,475,516	34,733,356	7.1%
Lawrence County	88,383	246,310	48,850	5,595	389,138	7,178,948	5.4%
Bono Township	0	0	0	4	4	13,954	0.0%
Guthrie Township	2	0	0	4	6	27,796	0.0%
Indian Creek Township	0	0	0	20	20	28,613	0.1%
Marion Township	391	2,440	275	126	3,231	140,799	2.3%
Marshall Township	56	0	0	43	99	66,421	0.1%
Perry Township	4	0	0	22	26	30,932	0.1%
Pleasant Run Township	0	0	0	23	23	45,001	0.1%
Shawswick Township	4,178	10,237	2,239	172	16,826	273,457	6.2%
Spice Valley Township	5	0	0	32	37	34,824	0.1%
Bedford Civil City	238,910	586,284	129,870	5,748	960,811	7,490,821	12.8%
Mitchell Civil City	16,546	114,841	12,942	2,438	146,767	1,183,398	12.4%
Oolitic Civil Town	236	2,737	0	312	3,284	116,143	2.8%
North Lawrence Community School Corp	149,830	367,065	80,290	6,659	603,844	9,794,400	6.2%
Mitchell Community School Corp	16,685	109,962	12,392	4,608	143,646	4,341,338	3.3%
Bedford Public Library	20,584	50,429	11,031	915	82,960	1,345,612	6.2%
Mitchell Community Public Library	1,618	10,661	1,201	447	13,927	420,906	3.3%
Lawrence County Contractual Library	0	0	0	0	0	0	
Lawrence County Solid Waste Mgmt Dist	13,342	37,183	7,374	845	58,744	1,083,738	5.4%
Lawrence County Redevelopment Commission	0	0	0	0	0	0	
TIF - Marion Township	0	0	0	0	0	106	0.0%
TIF - Mitchell City	0	78	3,305	0	3,382	141,200	2.4%
TIF - Marshall Township	0	0	0	0	0	68,231	0.0%
TIF - Bedford City	7,985	8,752	32,004	0	48,741	906,718	5.4%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.